GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2205
ANSWERED ON:11.12.2015
Health Insurance to Senior Citizens
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Will the Minister of FINANCE be pleased to state:

(a) whether insurance facilities are available to citizens of the country and if so, the details thereof;
(b) whether the Government is aware that several companies are recovering premium from their policy holders and not paying their insurance amount on time;
(c) whether it is also a fact that insurance companies or institutes are forfeiting/ withholding the insurance amounts of policy holders after depositing three or four premium and if so, the details thereof;
(d) whether the Government is taking any concrete steps to make insurance schemes transparent with simplified rules; and
(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a): As per the information furnished by Insurance Regulatory and Development Authority of India (IRDAI), Indian Insurers' provide various types of insurance products including health insurance covers. The products are designed and priced on actuarial principles by the insurers and filed with the IRDAI as per File and Use guidelines. Products cleared by IRDAI only can be marketed. Health insurance is also provided by the Life Insurance companies as fixed benefit policies. Totally 12 Health Insurance products and 18 critical illness riders are currently being offered by various Life Insurers.

Further, the Public Sector General Insurance Companies (PSGICs) have specially designed policies for senior citizens namely "Varistha Mediclaim for Senior Citizens" by National Insurance Company Ltd, "Health of Privileged Elderly (HOPE)" by The Oriental Insurance Company Ltd, "Senior Citizens Mediclaim Policy" by the New India Assurance Company Ltd. and "Health Insurance Policy-Sr. Citizens" by United India Insurance Company Ltd.

The "Rashtriya Swasthya Bima Yojana" provides smart card based cashless health insurance cover of Rs. 30000/- per annum to Below Poverty Line (BPL) families in the unorganized sector. There is no age limit in RSBY and anybody who falls in the BPL category can be enrolled under this scheme.

(b) & (c): IRDAI has informed that on the happening of any contingent event covered under Health insurance policy the claims are disposed of. Insurance works on the mechanism of risk pooling with claim being payable only in respect of those policies where liability is triggered. The premium is charged for the policy period for which the health insurance coverage is offered. Forfeiture of premiums for Health Insurance under the life insurance policies can be done strictly subject to the provisions of Section 45 of the Insurance Act, 1938

There may be some instances where policyholders may have complaints against insurers in respect of their claims. IRDAI has mandated insurers to have in place systems to receive and deal with policyholders' complaints. IRDAI has put in place a robust Integrated Grievance Management System. It offers an online platform for registering complaints and enables monitoring of grievances of policyholders for a quick and effective disposal of complaints by the insurance companies.

(d) & (e): Insurance Regulatory and Development Authority of India (IRDAI) has laid down various provisions in its Health Insurance Regulations, 2013 for transparency and simplification of rules in insurance schemes.

About the transparency of the Health Insurance policies, the Regulation 5 (m) of IRDA (Health Insurance) Regulations, 2013 specifically stipulates certain disclosure/declaration norms for insurers.

On simplification of Rules, certain terms pertaining to the Health Insurance and certain Critical Illness definitions were standardised by the Authority for ease of understanding of policyholders vide Regulation 5 (n) and 5 (o) of IRDA (Health Insurance) Regulations, 2013.

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